

2018

EDISON ELECTRIC INSTITUTE  
ESG/SUSTAINABILITY  
REPORTING TEMPLATE



**THIS IS OUR ERA THIS IS AMERICA'S ENERGY ERA™**





## Overview

NextEra Energy is comprised of two principal subsidiaries, Florida Power & Light Company, which provides power to more than half the state of Florida, and NextEra Energy Resources, LLC, which, together with its affiliated entities, is the world's largest generator of renewable energy from the wind and sun and a world leader in battery storage. Our vision is to be North America's leader in the generation and delivery of clean energy, with a strategy focused on providing energy solutions that are clean, reliable and cost-effective to our customers, while benefitting our shareholders.

Edison Electric Institute (EEI), along with contributions from member companies, investors and stakeholders, developed a template focused on environmental, social and governance-related sustainability topics that interest stakeholders and the investment community.

This template is divided into qualitative and quantitative sections. The qualitative section focuses on sustainability and management oversight, as well as efforts and strategy around environmental, social and governance topics in the industry, the company and the future. The quantitative section focuses on metrics related to the company's portfolio, emissions and resources. The content included in this template will be updated annually.

## Our approach to sustainability

At NextEra Energy, we are investing in clean energy infrastructure to create a sustainable energy future for America that is affordable, reliable and efficient. Being a sustainable company means respecting our environment, delivering outstanding customer value, supporting our communities, empowering our team and growing shareholder value. We believe our long-term success has been a result of our focus on a balanced approach to our business practices, our people, our communities and our environment. We are committed to integrity and accountability in all aspects of our businesses, and our governance structure and business policies support that commitment. We believe a strong economy is good for everyone, and we are doing our part to encourage investment, job creation and sustainable development.

NextEra Energy plans to invest more than \$40 billion in America from 2017 through 2020 to develop projects that will create tens of thousands of jobs and significant economic benefits across the country while advancing our clean energy strategy. These investments in local communities will support schools, emergency services and other local needs while also benefitting our customers and the environment.

NextEra Energy has been recognized often for our commitment to clean energy investments. In 2018, Fortune ranked NextEra Energy No. 21 among the top 57 companies globally that "Change the World," as well as ranked the company No. 1 in its sector on Fortune's list of "Most Admired Companies" for the 11th time in 12 years and also ranked among the top 20 companies worldwide for innovation, people management, use of corporate assets, social responsibility and long-term investment value. In addition, NextEra Energy was recognized in 2018 by Ethisphere Institute as one of the World's Most Ethical Companies, becoming one of only 20 companies in the world to have achieved this honor 11 or more times. NextEra Energy was also recognized by Forbes as one of America's Best Employers and one of America's Best Employers for Diversity, as well as recognized



by the U.S. Department of Defense's Employer Support of the Guard and Reserve with the Above and Beyond Award.

### Our people

Our people are our most valuable asset. The talent of our team and the culture of our company is what differentiates us from other companies in our industry. Over a long period of time, we have been able to build on strengths to create a culture that is focused on financial discipline, risk management, operational excellence and continuous improvement. We believe that our employees are a key competitive advantage and a driver of how we create value for our customers, invest in our communities, deliver on our sustainability objectives and produce strong returns for our shareholders. Our core values are integrated in all of our business practices:

- **We are committed to excellence:** By establishing high standards of quality, driving continuous improvement, making fact-based decisions, working safely, and holding ourselves accountable, we cultivate the expertise and passion to deliver the best for our shareholders, customers, employees and other stakeholders.
- **We do the right thing:** By acting with integrity and humility in everything we do, living up to our commitments, and being forthright and honest in our communications, we create an environment of openness and trust.
- **We treat people with respect:** By leading respectfully, promoting teamwork, building a diverse and inclusive team, and investing in development, we strengthen and engage our greatest asset: our people.

### Our customers

Our customers range from residential and business customers across much of Florida to utilities, retail electricity providers, power cooperatives, municipal electric providers and others across the U.S. and in Canada, as well as individual companies and other organizations committed to renewable and sustainable energy. We are proud to deliver energy that is cleaner, more affordable and more reliable than ever before. We are committed to making smart investments that benefit our customers.

### Our shareholders

We are committed to growing long-term shareholder value and building on our history of strong performance. We are committed to maintaining one of the strongest balance sheets in the industry, which is a result of being financially disciplined and remaining focused on smart capital investments, while maintaining our strong credit ratings. This focus on smart investments has helped us deliver total shareholder return of 34 percent in 2017, significantly outperforming the S&P 500 Index by more than 12 percent and the S&P 500 Utilities Index by more than 22 percent. Over the last 10 years, NextEra Energy has outperformed 79 percent of the S&P 500 Utilities Index and 63 percent of the S&P 500.

### Our community

At NextEra Energy, we are passionate about making a positive impact on the communities where we live and work. We believe that partnering with our communities is essential to establishing an environment of mutual trust and respect. We are committed to delivering low-cost, reliable power; strengthening our communities by volunteering our time; supporting education at all levels to create



and sustain a well-equipped workforce; driving economic development by investing billions in our nation's infrastructure; creating jobs; contributing to public safety by educating the public about our operations; engaging and partnering with our communities on issues of mutual concern; and giving financially to important community causes.

### **Our environment**

We are committed to being an industry leader in environmental protection and stewardship. Our environmental accountability, management and stewardship programs are intended to design, construct, operate and maintain our facilities in an environmentally sound and responsible manner; prevent pollution, minimize waste and conserve natural resources; avoid, minimize and/or mitigate impacts to habitat and wildlife; and engage local stakeholders and environmental agencies.

### **Sustainability governance**

NextEra Energy's Board of Directors oversees the long-term strategy of the company and the risks and opportunities affecting that strategy. Climate-related risks and opportunities are an integral part of the Board's strategy oversight. The Board has annual in-depth strategy meetings and receives regular updates on the risks and opportunities affecting each business. Specific areas of oversight include:

- Legislation and regulation related to renewable energy, distributed generation, energy efficiency and climate change;
- Regulatory proceedings and decisions;
- Board approval of capital budgets, including renewable energy projects, grid hardening and resiliency; and
- Board approval of senior executive goals related to safety, reliability and capital spending.

Further, each Board committee is composed entirely of independent directors and has oversight of specific risk activities. The committees meet periodically with the company's senior management team to review the company's risk management practices and key findings, which they then report to the full Board. The Board committees have responsibility for risk oversight in the following areas:

- The Audit Committee oversees compliance with legal and regulatory requirements, policies with respect to risk assessment and risk management, and major financial risk exposures. In addition, the Audit Committee ensures that major risks identified from time to time are reviewed by the Board or a Board committee.
- The Finance and Investment Committee oversees capital spending and financing plans, energy trading and marketing operations, financing strategy, financial policies, and the use of financial instruments, including derivatives.
- The Governance and Nominating Committee oversees board composition and diversity, and environmental, social and governance trends.
- The Nuclear Committee oversees safety, reliability, and quality of nuclear operations, and long-term strategies and plans related to nuclear operations.
- The Compensation Committee oversees compensation related risks, including annually reviewing management's assessment of risks related to employee compensation programs.



NextEra Energy's chief executive officer serves as the chief risk officer. In that capacity, the chief executive officer, together with other members of the company's senior management, oversees the execution and monitoring of the company's risk management policies and procedures. NextEra Energy also has a Corporate Risk Management Committee, composed of senior executives, that assesses the company's strategic risks and the strategies employed to mitigate those risks.

NextEra Energy's General Counsel business unit, which includes Environmental Services, provides oversight of NextEra Energy's sustainability efforts. The business unit has an executive steering committee, a decision review board and a sustainability council which includes executive and staff member representation from all major business units across the organization.

We are committed to being an industry leader in environmental protection and stewardship. Our Environmental Policy establishes our core environmental expectations and provides actionable guidance for all employees as we strive to foster a culture of environmental excellence and challenge ourselves to continuously improve. Each employee at NextEra Energy understands that protecting the environment is a collective responsibility, and our senior executives are actively involved in our environmental accountability, management and stewardship programs.

Environmental risk management and mitigation are key drivers for ensuring safe and sustainable operations. The company's environmental risk management programs are designed to ensure the company has identified all potential risks so that proper plans can be developed to avoid, minimize or mitigate issues. Each business unit is responsible for addressing related risks to those operations, including aspects such as environmental issue management, compliance, event response and change management. These assessments include daily site inspections, routine self-assessments, environmental audits, quarterly due diligence meetings with executive management and quarterly Corporate Environmental Governance Council update meetings.

## **Sustainability strategy**

### **Adapting to a changing business environment**

At NextEra Energy, we firmly believe that we have an unprecedented opportunity to shape how energy is produced and delivered. By investing in smart infrastructure and innovative clean energy solutions, we are helping build a sustainable energy future that is affordable, efficient and clean, while at the same time creating tens of thousands of jobs and generating economic benefits for the communities we serve. Utilities around the country are being disrupted at a remarkable pace. This disruption is driven by the economics of renewables, the evolution of battery storage, emerging technology, big data, efficiency gains and a focus on cost management.

Operating in a constructive regulatory environment is critical for all stakeholders. We believe in a virtuous circle that starts with making smart investments to reduce costs and improve reliability and efficiency that results in lower customer bills. We believe low bills and high reliability lead to high customer satisfaction, which in turn leads to a constructive regulatory environment that recognizes innovative solutions to invest in technology and processes that allow us to provide affordable, clean energy to our customers while driving shareholder value creation. At FPL, by focusing on the virtuous circle and delivering a best-in-class customer value proposition, we have been able to maintain a constructive regulatory environment and deliver benefits for all stakeholders.



At FPL, we are leading the charge to create the electric company of the future by focusing on continuous improvement, modernizing our generation fleet, strengthening our transmission and distribution grid, and leveraging artificial intelligence and big data analytics to take costs out of the business.

FPL has significantly reduced its reliance on foreign oil and diversified its fuel mix. In 2001, we burned 41 million barrels of oil – more than any company in the U.S. Today we burn nearly no oil – something we have been able to do by making smart investments that benefit our customers and our environment. In addition, FPL is the largest generator of solar energy in Florida and among the largest in the nation, with nearly 1,000 megawatts of solar generation in operation as of March 2018. FPL plans to install more than 3 gigawatts of universal solar in Florida over the next decade to diversify our fuel mix in Florida and keep customer bills low. FPL's investments in affordable, clean energy infrastructure have saved customers nearly \$9.3 billion in fossil fuel costs and prevented 120 million tons of carbon dioxide (CO<sub>2</sub>) emissions since 2001.

FPL is the most reliable energy company in Florida and recognized as having the best comprehensive reliability performance in the nation. We have the most advanced energy grid in the nation, but we're never satisfied. We continue to strengthen the grid to make it even better for our customers and provide them with reliable service they can count on in good weather and bad. FPL delivers more than 99.98 percent service reliability, which is better than any investor-owned utility company in the state at prices well below the national average.

At NextEra Energy Resources, our focus continues to be on building the best renewables business in the world. Wind and solar economics are at or below other generation costs, which is allowing utilities to use more renewables, lower customer bills, reduce emissions and create a more sustainable future. NextEra Energy Resources has significant competitive advantages to capitalize on an increasingly strong market for renewables development. Leveraging development skills, purchasing power, construction expertise, customer relationships, site selection capabilities, lower capital costs and our ability to integrate battery storage solutions, we have been able to grow our operating renewables portfolio to more than 16,000 megawatts. At NextEra Energy Resources, we are leveraging technology, artificial intelligence and big data to develop wind and solar generation more efficiently, reliably and cost-effectively.

FPL and NextEra Energy Resources are actively researching and testing battery-storage technologies to study a variety of potential benefits ranging from grid stabilization to improved solar integration. Currently, NextEra Energy companies operate a total of approximately 140 megawatts of batteries with more than 150 megawatt-hours of storage capacity.

We believe that there are enormous opportunities to transform our business and our industry to provide clean, reliable and affordable energy to Americans, and our focus is being a leader of that transformation.

## **Innovation**

NextEra Energy has a long history of innovation spanning its nearly 100-year history. The company was a pioneer in the renewable energy field, making its first investment in renewable energy nearly 30 years ago. Our focus on innovation and a strong commitment to continuous improvement has driven us to make smart investments in state-of-the-art renewable energy solutions, leading-edge battery storage systems and smart grid technology. We are making significant investments in



innovative, advanced technologies to build a stronger, smarter energy grid and do what's right on behalf of our customers, other key stakeholders, as well as the environment.

In 2013, FPL completed the largest smart-grid installation in the energy industry at the time, an investment that has helped lower customer bills and improve reliability. Through our smart grid technology and emerging intelligent devices such as drones, robots and augmented and virtual reality, we are able to monitor and manage power issues without putting any service vehicles on the road. We are using this same innovative mindset to improve operations across our generation fleet.

We employ teams of data scientists throughout the company to develop artificial intelligence, and we are increasing our investment in artificial intelligence capabilities over the next several years to meet new challenges and expand our business. From predictive maintenance and optimization of our generation assets to operational excellence and our commitment to a safe working environment, we are using leading-edge machine learning techniques and big data analytics to advance our company's performance.

Innovation at NextEra Energy is about doing what is right for our customers, our shareholders, our employees and the environment. We choose every day to disrupt ourselves, knowing that if we do not, someone else will. Our commitment to innovation extends to everything we do.

### **Carbon emissions reduction and plans for a sustainable energy future**

For decades, NextEra Energy has been reducing emissions through the development of renewable energy and modernizing our generation fleet. Since 2001, we have reduced our CO<sub>2</sub> emissions rate by 52 percent. In 2017, we achieved our lowest-ever emissions rates of SO<sub>2</sub>, NO<sub>x</sub>, CO<sub>2</sub> – rates that were 96 percent, 76 percent, and 55 percent lower, respectively, than the U.S. utility sector average. We plan to continue our commitment to reducing our CO<sub>2</sub> emissions rate with a target of more than 65 percent by 2021, off a 2001 baseline year. Achievement of this goal will be dependent on many factors, including future technology development, governmental policy and mergers and acquisitions.

### **Resiliency**

At NextEra Energy, we are committed to providing safe, reliable power to our customers around the clock. We take security and safety seriously – both at our facilities and on our networks. One of our key priorities is to protect our power networks and customer data from all forms of intrusion, including cyber incidents, that could threaten to disrupt operations or cause harm to customers. That is why we build and maintain strict security safeguards into the power grid. The safe, secure delivery of electrical service is paramount and our standards for cybersecurity exceed those set by the industry.

Since 2006, FPL has invested more than \$3 billion to strengthen its energy grid to be more reliable and storm-resilient. These investments include hardening our main power lines, clearing vegetation, inspecting, upgrading and replacing power poles and installing more than 5 million smart meters and 90,000 intelligent devices to help predict, reduce and prevent power outages and restore power faster if outages occur. FPL has improved service reliability by about 30 percent over the past seven years and helped deliver industry-leading resiliency for our customers.



### **Engagement in local communities**

Each year, NextEra Energy invests billions of dollars in America's energy infrastructure creating tens of thousands of jobs and driving economic development across the country. Our company's investments in local communities support education, emergency services and local economic development through tax dollars. Since the founding of our company in 1925, we have been passionate about ensuring that our investments and operations have a positive impact on the communities we serve. In 2017, NextEra Energy paid more than \$600 million in property tax dollars nationwide.

Through our Power to Care volunteer program, NextEra Energy employees and their families volunteer thousands of hours each year to make a difference in our communities. In 2017, employee volunteers contributed more than 88,000 hours through dozens of company-sponsored events, projects and personal volunteer time to support a wide range of initiatives and causes that contribute to the well-being of our communities. We are committed to working with our communities to make them a better place to live and work.

NextEra Energy has also been active in education to support the next generation of leaders. We have supported 70 robotics teams across Florida over the past several years, as well as sponsor a science show for approximately 80,000 grade school students each year. In addition, the company has donated 130 Solar Education Stations to schools and education centers. We believe students who participate in robotics learn not only engineering and programming skills, but also teamwork, communication and other vital work skills.

For more information regarding NextEra Energy Sustainability strategy, visit [NextEraEnergy.com/Sustainability](http://NextEraEnergy.com/Sustainability).



## Quantitative Information

<b>Parent Company:</b>	NextEra Energy, Inc. (NEE)
<b>Principal Operating Companies:</b>	Florida Power & Light Company (FPL) and NextEra Energy Resources, LLC (NEER)
<b>Business Type:</b>	Diversified
<b>States of Operation:</b>	NextEra Energy, Inc. operates in 33 states and Canada (as of year-end 2017)
<b>States with RPS Programs:</b>	21 states with mandatory RPS and 7 states with voluntary RPS
<b>Regulatory Environment:</b>	Regulated and unregulated
<b>Report Date:</b>	8/27/2018

### Generation Portfolio

	2005	2016	2017
<b>Owned Nameplate Generation Capacity at end of year (MW)<sup>(1)</sup></b>			
Coal <sup>(1)</sup>	915	888	1,218
Natural Gas/Oil	11,719	15,670	15,870
Natural Gas	10,796	6,060	6,090
Nuclear	4,015	6,173	6,176
Oil	1,316	890	890
Renewable Energy Resources:			
Hydroelectric	361	0	0
Solar	148	2,442	2,358
Wind	3,192	13,852	13,110
Other	368	0	0
<b>Owned Net Generation for the data year (MWh)</b>			
Coal	6,065,258	4,275,844	4,505,049
Natural Gas	59,752,003	95,037,828	87,620,069
Nuclear	29,745,644	50,895,225	50,018,823
Oil	23,828,305	659,450	513,294
Renewable Energy Resources:			
Hydroelectric	1,811,409	0	0
Solar	275,393	3,985,886	5,166,054
Wind	7,298,422	38,821,819	41,336,711
<b>Investing in the Future: Capital Expenditures, Energy Efficiency (EE), and Smart Meters<sup>(2)</sup></b>			
Annual Capital Expenditures	\$2.5 billion	\$9.6 billion	\$10.7 billion
Demand-Side Management - Estimated cumulative energy savings (GWh)	33,981	78,400	81,700
Percent of Total Electric Customers with Smart Meters	0	99	99
<b>Retail Electric Customers<sup>(3)</sup></b>			
Commercial	469,973	540,356	547,908
Industrial	20,392	11,770	11,654
Residential	3,828,374	4,284,159	4,338,224



## Emissions<sup>(4)</sup>

	2005	2016	2017
<b>GHG Emissions: Carbon Dioxide (CO<sub>2</sub>) Owned Generation</b>			
<b>Carbon Dioxide (CO<sub>2</sub>)<sup>(5)</sup></b>			
Owned Generation CO <sub>2</sub> Emissions (tons)	54,270,781	46,159,388	43,004,601
Owned Generation CO <sub>2</sub> Emissions Intensity (lbs/Net MWh)	843	477	455
<b>Nitrogen Oxide (NO<sub>x</sub>), Sulfur Dioxide (SO<sub>2</sub>), Mercury (Hg)<sup>(6)</sup></b>			
<b>Nitrogen Oxide (NO<sub>x</sub>)</b>			
NO <sub>x</sub> Emissions (tons)	55,275	13,010	12,379
NO <sub>x</sub> Emissions Intensity (lbs/Net MWh)	0.86	0.13	0.13
<b>Sulfur Dioxide (SO<sub>2</sub>)</b>			
SO <sub>2</sub> Emissions (tons)	121,480	3,120	2,400
SO <sub>2</sub> Emissions Intensity (lbs/Net MWh)	1.89	0.03	0.03
<b>Mercury (Hg)</b>			
Hg Emissions (kg)	280.61	22.39	22.90
Hg Emissions Intensity (kg/Net MWh)	0.00000594	.00000355	0.00000170

## Resources

	2005	2016	2017
<b>Human Resources</b>			
Number of Employees	12,700	14,700	13,900
Number on Board of Directors	11	12	12
Women on Board of Directors	1	3	3
Minorities on Board of Directors	2	2	2
Employee Safety - Recordable Incident Rate	2.4	0.7	0.5
<b>Fresh Water Resources</b>			
Water Withdrawals - Consumptive (Billions of Liters/Net MWh)	0.0000004	0.0000004	0.0000005
Water Withdrawals - Non-Consumptive (Billions of Liters/Net MWh)	0.0000084	0.0000075	0.0000073
<b>Waste Products<sup>(7)</sup></b>			
Amount of Hazardous Waste Manifested for Disposal (tons)	Not tracked	Not tracked	0.47

*Note: Environmental attributes of NextEra Energy's electric generating facilities have been or likely will be sold or transferred to third parties, who are solely entitled to the reporting rights and ownership of the environmental attributes, such as renewable energy credits, emissions reductions, offsets, allowances and the avoided emission of greenhouse gas pollutants.*

- 1) 2017 coal megawatts increased as a result of the Indiantown Cogeneration facility (ICL) that was purchased in 2017 and is expected to take no capacity or energy after year-end 2018 and to be retired in early 2020. The solar capacity numbers for 2016 and 2017 include 75 MW of non-incremental thermal solar. The capacity and generation breakdown by NextEra Energy operating companies for 2016 and 2017 can be viewed at [NextEraEnergy.com/Sustainability](http://NextEraEnergy.com/Sustainability). As a result of deconsolidation of NextEra Energy Partners, LP for accounting purposes, 2017 data includes only NextEra



Energy's ownership share in NextEra Energy Partners' projects; 2016 data includes amounts associated with non-controlling interests related to NextEra Energy Partners' projects.

- 2) Annual Capital Expenditures per NextEra Energy, Inc. 10-K filings. Energy Efficiency and Smart Meter metrics are only relevant for FPL.
- 3) Represents only FPL annual average customer counts.
- 4) CO<sub>2</sub>, SO<sub>2</sub> and NO<sub>x</sub> numbers are reported in tons and lbs/Net MWh to remain consistent with other external reporting.
- 5) NextEra Energy conducts business under regulatory regimes that require CO<sub>2</sub> rather than CO<sub>2</sub>e reporting, therefore this report is being made consistent with those requirements. Emissions of other greenhouse gases associated with the production of electricity (NO<sub>2</sub> and CH<sub>4</sub>) are a statistically insignificant portion of the numbers reported. Includes direct CO<sub>2</sub> emissions data for NextEra Energy owned sites as well as joint ownership sites (data for the joint ownership sites were adjusted to account for the Company's ownership share only).
- 6) Generation calculation for other emissions is also based on total owned net generation.
- 7) Reported only for FPL.